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Pushpa Sundar, Business & Community: The Story of Corporate Social Responsibility in India

Damien Krichewsky

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Sundar, Pushpa (2013) Business & Community: The Story of Corporate Social Responsibility in India, New Delhi: Sage Publications, 392 pages.

- The idea of Corporate Social Responsibility (CSR) goes back to the early 20th century, when public discussions emerged in the United States about the role and social responsibilities of its large industrial corporations. Since then, the idea of CSR has evolved into a global doctrine on the interplay between business and society: at its core, CSR is commonly understood as a way for private companies to address social expectations by increasing their contributions to public goods in ways which are also profitable for their own business. Over the past two decades, this doctrine has favored the emergence of new policies and practices on the part of companies, new public-private partnerships, and various national and transnational 'soft' regulatory frameworks relying on incentives rather than legal obligations.
- While CSR has expanded rapidly at the global level, and particularly in emerging countries, the literature remains dominated by North American and European perspectives. With her new book Business & Community, Pushpa Sundar offers timely insight into the phenomenon of CSR in India. After an early career in the Indian Administration Service, P. Sundar has been involved as member or consultant in numerous Indian and international organizations promoting corporate philanthropy. Beside her numerous media articles on philanthropy and CSR, P. Sundar is known for her earlier book entitled Beyond Business: From Merchant Charity to Corporate Citizenship (2000), where she presents an historical account of corporate philanthropy in India.

Because Indian CSR has expanded and evolved significantly over the past decade, P. Sundar's *Business & Community* revisits and builds upon her previous work to offer an updated analysis of the phenomenon. She shows how contemporary forms of CSR, which often relate to companies' contested social and environmental impacts on society, are merging with and transforming India's earlier patterns of business charity and philanthropy. In doing so, she not only analyzes CSR *per se*, but also touches upon key transformations in the relationships between India's business class and society at large.

- The book begins with two introductory chapters. The first locates the CSR debate in the Indian context and sets the general tone of the book. Given the rising discrepancies between rapid economic growth on the one hand, and increasing socio-economic inequalities and environmental degradation on the other, the author argues that business actors have a valuable role to play in society. CSR is then defined as both a basis for and a fulfillment of this role: by minimizing the 'negative' impacts of their business ventures while enhancing their contributions to socio-economic (sustainable) development, enlightened business leaders fulfill a moral obligation ('giving back to society'), preserve their social legitimacy, and join hands with the government and non-profit organizations to tackle the daunting developmental challenges of contemporary India. While this synergetic view of business-society interdependencies is common to the global CSR agenda, the author's key argument is that the contemporary expansion of CSR in India should not be considered an imported feature of globalization. P. Sundar sets out to show that 'Indian CSR has an organic evolution from within its own history and culture which sets it apart from that in the West' (p. 11). The second introductory chapter follows with the 'conceptual underpinning' of the analysis, actually presenting a broad overview of the mainstream ideas of CSR as they have been developed in the Western doctrine (philanthropy, 'corporate citizenship', 'shared value'...) and in Indian religious philosophies. The remainder of the book explores the past, present, and future outlooks of CSR in India.
- The first part of the book describes a historic movement from merchant charity based primarily on religious institutions towards 'third generation CSR', *i.e.*, the active participation of business in multi-stakeholder initiatives such as education, health or microfinance programs. At each of its phases, this movement is related to the transformations of modern Indian capitalism (chapter 3). For instance, the rise of industrial entrepreneurs from various merchant communities (Parsi, Marwari, Jain, Khatri, Chettiar...) between the mid-19th century and Independence in 1947 corresponds to a shift from traditional patterns of charity, centered on one's community and religious group, to more secular forms of philanthropy, oriented by ideals of nation-building and modern progress. The author provides rich historical insights into this shift in terms of its underlying dynamics, its temporality, and its variations along regional as well as community and dynastic lines (chapter 4).
- A subsequent phase around India's access to Independence (1941-1960) is described as a golden age of corporate philanthropy, with a significant part of the business community engaging along with the state in efforts of nation-building (chapter 5). The author points to a combination of factors underlying this golden age, which range from the entrepreneurs' value of frugality and their belief in the virtues of education, to the emergence of vast industrial empires, and Gandhi's ability to encourage nationalist sentiments among the business class. As a result, 'earlier, money had been dispensed

through trusts to meet immediate social needs, but the new trusts began to view giving as an instrument of social change' (p. 137). While the emphasis is clearly put on business contributions to social development, the author briefly evokes some limits of philanthropy (e.g., rural areas were mostly left out), and the existence of less commendable practices such as the use of unethical business tricks, excess profiteering, or a lack of concern for the natural environment.

- As the post-Independence euphoria passed away, a new period set in which the author characterizes as the 'winter of discontent' (p. 163) (chapter 6). In a difficult economic context, the growing mistrust between business and government, increasing regulation, high taxation, and the more materialistic culture of a new generation of business owners resulted in a deceleration of philanthropic activities. Moreover, trusts and foundations were increasingly diverted for tax avoidance purposes. However, the author points to initiatives undertaken by a few business leaders and chambers of commerce and industry who tried to bolster the declining public image of the business community. Interestingly, this is also the period when the idea of CSR entered the Indian public debate through the influence both of social activists, such as the Gandhian activist Jayaprakash Narain who organized an influential seminar on CSR in Delhi in 1965, and so-called 'enlightened' business leaders such as J.R.D. Tata, or Ramakrishna Bajaj.
- The second part of the book sheds light on the contemporary rise of CSR in India. In a context characterized by globalization, exponential growth of large corporations, neoliberal policies, and increasing concerns about the persistence of mass poverty and ecological crises, the author notes that business has 'enormous potential both for initiating social transformation as well as for unleashing destructive forces' (p. 201). As social movements and public authorities seem to develop growing expectations about companies' social and environmental performances, an increasing number of executives and managers realize that ignoring their country's developmental and environmental challenges might harm their business prospects (chapter 7). Referring to different surveys and illustrative cases, which she uses as 'proxy for ground reality' in 'the absence of better alternatives' (p. 242), the author subsequently shows how this context favors an expansion of CSR policies and practices among business organizations operating in India (chapter 8). While the philanthropic model remains influential, it is gradually being transformed into more strategic and formalized programs, and complemented with new activities such as sustainable development reports, environmental management systems, and voluntary policies of affirmative action at the workplace. However, the author underlines that modern forms of CSR are still in their nascent stage when compared to Western standards, that 'doing' CSR projects is generally preferred over 'acting responsibly', and that promising principles and commitments are often lost in translation when it comes to implementation.
- The third and final part of the book presents the author's views about the challenges and outlooks for CSR in India. She identifies four operational challenges and 'tests' them on issues of environmental protection and land acquisition: combining 'social responsibility' and profitability, shifting from corruption and shady influence to transparent and ethical lobbying, transforming conflicting relationships between business and civil-society organizations into constructive partnerships, and spreading the CSR movement among small and medium enterprises. Results of the 'test' are in line with previous arguments: a few companies seem up to the challenge and their

number can be expected to grow, but in the author's opinion, companies are not doing enough (chapter 9). In a concluding chapter, P. Sundar argues that the values of early business leaders and industrialists have been lost by today's business class, which fails to recognize the positive role it could play in society. In conclusion, she argues that Gandhi's principles of trusteeship should be revived: 'ultimately India's CSR must flow from its own history, culture and social needs' (p. 332).

- Overall, P. Sundar's Business & Community offers a good overview of what is often referred to as the 'Indian scenario' of CSR. The strength of her work resides in her capacity to situate CSR in the broad history of business-society relationships in India. Though her focus on philanthropic and CSR activities might lead to a historical account biased in favor of the contributions of business to social and political causes, P. Sundar provides enough empirical insights to convince the reader that these contributions were substantial and evolved over time. While periodization can always be discussed, the choices she makes in this regard are convincing in the light of their relevance for the purpose of her argument. An additional strength of the book is the way it relates CSR to broader dynamics of social change. Against the backdrop of a mainstream CSR literature dominated by narrow managerial concerns, P. Sundar's work contributes to show that making sense of CSR requires taking its multiple—economic, organizational, institutional, political and cultural—dimensions into account.
- The book does have some shortcomings, however. The most important one, in our view, is that the author remains entrapped in the doctrine of CSR. At a conceptual and analytical level, 'CSR' is used as it would be in common-sense discourse to designate either a general idea (opposed to philanthropy: p. 271), a vague constellation of moral obligations (p. 3), a behavior tuned-up to social expectations (but whose?), or specific, 'socially beneficial' practices employed by companies within or besides common market transactions (this time, including philanthropy: p. 18, 239-240). In other words, the author fails to recognize that indigenous pre-notions of CSR might not provide suitable analytical concepts to make sense of the phenomenon.1 The absence of any stabilized analytical distinction between philanthropy and CSR is particularly disturbing. It prevents the author from clearly assessing how and the extent to which both semantics and practices of philanthropy and CSR have overlapped and merged in Indian businesssociety relationships. These points reflect a more general shortcoming of the book: the lack of a consistent theoretical framework in the author's analysis of the interplay between business and society. While relevant dimensions and variables are mentioned, and somehow connected to each other in the narrative, it is not clear how ideas, institutions, interests, values, systemic conditions, and personal initiatives are supposed to be related and to operate with each other.
- The lack of distinction between doctrine and theory might be related to the author's adhesion to the CSR doctrine. While the general project is analytical (p. 18-19), the analysis is often colored by the personal views and sentiments of the author, who believes in the virtues of CSR and consequently promotes it throughout the book. For instance, when addressing the recent controversies surrounding India's new CSR public policy, the author takes sides in favor of voluntarism without clearly demonstrating why it should be considered more effective than binding regulations (p. 232). Similarly, 'dialogue', 'mutual understanding', and 'partnerships' between business and civil society are presented as an ideal. Conversely, more subversive activities deployed by a number of activists and civil society organizations in opposition to certain business

practices are treated as a problem to be resolved—not, perhaps, as the expression of a political struggle to be investigated and accounted for (p. 284ff.). As a result of this pro-CSR stance, the author excludes other possible interpretations of CSR without further ado, for instance as a strategy used by business actors and their political allies to deradicalize social movements and safeguard business prospects from costly political intervention.²

Finally, a comparison between 'Indian CSR' and 'Western CSR' would have been useful to strengthen—or question, this remains to be seen—P. Sundar's key argument that India is a special case, as opposed to a 'Western' generic model. Such a comparison would not only serve the purpose of demonstrating more clearly that some properties of the phenomenon of CSR in India are unique. It would also force the author to specify what she actually means by the 'Western' model of CSR, as the empirical existence of such model is not obvious in the light of numerous studies highlighting significant national variations within the 'Western' world. An avenue for a third book?

NOTES

- **1.** The distinction we use between pre-notions and scientific concepts is developed in E. Durkheim (1982 [1894]), *The Rules of Sociological Method*, New York: The Free Press.
- **2.** See for instance R. Shamir (2004), 'The De-Radicalization of Corporate Social Responsibility', *Critical Sociology* 30(3), pp. 669-689; G. Hanlon (2008), 'Rethinking Corporate Social Responsibility and the Role of the Firm: On the Denial of Politics', in A. Crane *et al.* (eds.), *The Oxford Handbook of Corporate Social Responsibility*, Oxford: Oxford University Press, pp. 156-172.

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